



(This information is available in English only)

Citicorp International Limited

In accordance to CG-1 of the Supervisory Policy Manual issued by the Hong Kong Monetary Authority, we append the disclosure with respect to key areas of corporate governance for the public's information.

(Updated as of December, 2022)

1. Corporate Governance

Citicorp International Limited (“the Company”) is a wholly owned subsidiary of Citigroup Inc. (“Citigroup”) and falls under the Citigroup corporate governance infrastructure. Under this structure, the Company is committed to high standards of corporate governance and its activities are monitored by the various committees which Citigroup has in place in Hong Kong and globally. The control framework of the Company also falls under the Citigroup control requirements. The Company’s Board comprises a majority of Directors from Citigroup and one Independent Non-executive Director and board meetings are held as and when necessary. The Company has fully complied throughout the year with the applicable guidelines in the Supervisory Policy Manual CG-1 “Corporate Governance of Locally Incorporated Authorised Institutions” issued by HKMA.

2. Financial Risk Management

This section presents information about the Company’s exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- credit risk: loss resulting from customer or counterparty default and arises on credit exposure in all forms, including settlement risk.
- market risk: risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and market risk comprises currency risk, interest rate risk and other price risk.
- liquidity and funding risk: risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the

market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.

- operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Company has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Company continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The Internal Audit also performs regular audits to ensure compliance with the policies and procedures.

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

(a) Credit risk management

The Company's activities are predominantly with group entities or with institutions with strong credit standing. As such, management does not consider the credit risk for the company's activities to be significant.

(b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, interest rate derivatives, etc. The objective of market risk management is to avoid adverse financial effects from market volatilities.

The Treasury Department manages risks arising from balance sheet against the limits approved by the Regional Market / Treasury Risk Management, and monitored and reported by an independent Operations unit.

The Company applies quantitative techniques and simulation models to identify and assess the potential net interest income and market value effects of these interest rate positions in different interest rate scenarios. The risk position is monitored periodically and any exceptions would be reviewed and escalated to appropriate level of risk manager and governance forum.

(i) Currency risk

The Company is exposed to currency risks primarily arising from financial instruments that are denominated in the United States dollar ("USD"). As the Hong

Kong dollar (“HKD”) is pegged to the USD, the Company considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

The Company seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

The net positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position in all foreign currencies.

(ii) Interest rate risk

Interest rate risk in the banking book (“IRRBB”) pertains to the risk to the Company’s financial condition resulting from adverse movements in interest rates that affect the Company’s capital and earnings. The Company’s principal measures of risk to economic value of equity (“EVE”) and net interest income (“NII”) are defined based on the standardized framework described in the Supervisory Policy Manual module IR-1 “Interest Rate Risk in the Banking Book” and in accordance with the method used in the Return on Interest Rate Risk in the Banking Book (MA(BS)12A).

Through the treasury discipline, IRBBB is managed within the limits that are reviewed and monitored by the Regional and Country Treasury Risk organization , Asset and Liability Committee (ALCO) and the Board. In order to manage IRRBB effectively, the Company may take hedging actions or restructure existing positions to reduce IRRBB. The Company regulatory assesses viability of these actions and other strategies, including further strengthening its capital position, and implement such strategies when deemed prudent, ensuring the Company operates well within established limits.

(c) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Company’s ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by the Treasury Teams under the direction of the Country Asset and Liability Committee (“ALCO”) and in accordance with the Quarterly Liquidity Review Process (Horizontal Review), which is jointly reviewed and approved by Country Risk Manager and ALCO. The Treasury Teams are responsible for ensuring that the Company has adequate liquidity for all operations, and monitoring local and international markets for the adequacy of funding and liquidity.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

(d) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes people or systems or from external events. The definition of operational risk includes legal risk – which is the risk of loss (including litigation costs, settlements and regulatory fines) resulting from the failure of the bank to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the bank’s business – but excludes strategic and reputation risks. Citi also recognizes the impact of operational risk on reputation risk associated with Citi’s business activities.

Operational risk is inherent in the Company’s business activities and is managed through an overall framework with checks and balances that include recognized ownership of the risk by the businesses and independent risk management oversight. The Company mitigates its operational risk by setting up its key controls and assessments according to Citigroup’s and the Regulators’ standards. They are also evaluated, monitored, and managed by its sound governance structure.

The Operational Risk Management (ORM) team establishes and oversees the design, implementation and maintenance of the Operational Risk Management Policy, an integral part of the Citi Enterprise Risk Management Framework (ERMF). The ORM Policy establishes standards for consistent identification, measurement, monitoring, reporting and management of operational risk across Citi which are designed to lead to effective anticipation and mitigation of operational risk and improved loss experience. It also provides an enterprise-wide assessment framework for significant current and emerging operational risks. This approach furthers business ownership and accountability in terms of risk management, supported by the ORM team.

Citi’s Operational Risk Framework includes a governance structure that supports core operational risk management activities of anticipation, mitigation and recovery by three lines of defence which are the Business Management and a number of corporate functions (i.e. Chief Administrative Office, Finance, Enterprise Operations and Technology, Global Public Affairs), independent risk oversight (i.e. Independent Compliance Risk Management and Independent Risk Management), and Internal Audit. Additionally, there are enterprise control functions (i.e. Legal, Human Resources).

(e) Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Company actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The processes of allocating capital to specific operations and activities is undertaken by senior management.

3. Information about Board Members and Senior Staff Members as at 31 December 2022

	Name	Profile
Chairman & Non-executive Director	Steven LO	Appendix 1
Board Members	Sally LAM	Appendix 2
	Frederick WAYMAN (Appointed on June 10, 2022)	Appendix 3
	David RUSSELL	Appendix 4
	Susan KWEK	Appendix 5
Independent Non-executive Director	Mark HART	Appendix 6
Chief Risk Officer	Shreejesh NAIR	
Head of Internal Audit (Interim)	Jon PETTIGREW	

4. Remuneration Information

In accordance to section 3, CG-5 of the Supervisory Policy Manual issued by the Hong Kong Monetary Authority, a report on disclosure on remuneration is available for public access at the Company's office.

5. Material Related Party Transactions

The Company has policies on lending to related parties which define related parties, credit and reporting processes, requirements and restrictions on such lending.

6. Immediate Parent and Ultimate Controlling Party

At 31 December 2022 and 2021, the directors consider the immediate parent of the Company to be Citigroup Holding (Singapore) Private Limited, which is incorporated in Singapore.

This entity does not produce financial statements available for public use. Its ultimate holding company is considered to be Citigroup Inc., which is incorporated in the United States of America. Consolidated financial statements are prepared for Citigroup Inc. under generally accepted accounting principles in the United States. These financial statements are available for public use.

Appendix 1

Steven LO
Regional Head
Citi Private Bank
Asia Pacific

With more than 30 years of wealth management experience, Steven is responsible for the overall activities of the Private Bank in Asia.

Steven joined the Private Bank as an Ultra High Net Worth Banker in Vancouver, focusing on clients in North America and Asia. He gained direct experience in the Chinese, Thai, South Korean, Taiwanese and Filipino markets. Since 2010 he was the Market Manager for Hong Kong and has grown the business while building our team of bankers and developing strong partnerships across Citi.

Steven has also worked as a senior private banker at BNP IFS. He is a member of the Asia Operating Committee. He has been a member of the Hong Kong Country Executive Committee, and formerly an Executive Director of the Private Wealth Management Association in Hong Kong.

Appendix 2

Sally LAM
Chief Operating Officer
Citi Hong Kong & Macau

Sally Lam is a Managing Director of Citi Global Wealth. Based in Hong Kong, she is responsible for leading organization design, business management and strategic business projects in the Asia region. She also serves as Chief of Staff to Head of Asia, Citi Global Wealth.

Sally joined Citi as Chief Operating Officer (COO) for Citi Hong Kong and Macau in November 2020. In that role, she was responsible for a wide spectrum of franchise management and legal entity governance activities. She was also a member of the Hong Kong Executive Committee.

Prior to joining Citi, Sally held a number of senior positions and has a wealth of experience in business management and development, and compliance and risk in financial services. She was previously with HSBC where she spent 13 years during which she held a number of positions, including Chief Operating Officer for Asia Pacific Compliance, and Chief Operating Officer for Asia Pacific Global Banking. Prior to HSBC, she was a Portfolio Management Director at ABN AMRO Bank NV Hong Kong Branch, and before that she held various client facing roles at Dresdner Kleinwort Hong Kong.

Sally holds a Bachelor of Arts degree from the University of British Columbia, Canada, and a Bachelor of Laws degree from the University of London, UK.

Appendix 3

Frederick WAYMAN (Appointed on June 10, 2022)
Director, Transaction Management
Agency and Trust, Issuer Services, Citi

Frederick Wayman is the Regional Head of Transaction Management for Agency and Trust based in Hong Kong. Before moving into his current role, Frederick was Regional Co-head of the Issuer Services business at HSBC with a focus being bonds and Escrow. Frederick started his career at BNY Mellon in London in 2005 and worked through various Corporate Trust related roles, including on the Structured Finance desks through the financial crisis and the Strategy team for EMEA.

Appendix 4

David RUSSELL

Head of Markets & Securities Services, Hong Kong
Head of Securities Services, Asia Pacific

David Russell is Managing Director, Head of Markets & Securities Services for Hong Kong and Head of Securities Services for Asia Pacific.

In his role, David is responsible for all Markets and Securities Services businesses in the Hong Kong hub and for all Securities Services businesses across the 16-country Asia region.

David started his financial markets career as an Equity Research analyst in London and transferred to Hong Kong in 1992. Over the following years David has worked in sales and origination roles in both Equities and Fixed Income before joining Citi in 2001.

In his career at Citi, David has managed multiple business lines including Securities Finance, Custody, Fund Services, Prime, Futures and Issuer Services. He has helped build Citi into a market leader in Securities Services in Asia. Asian Investor Magazine cited the following in 2013 : “David and his team have transformed the US Banks’ business in Asia”.

David is Chief Executive of Citicorp International Limited and Alternate Chief Executive of Citibank, N.A., Hong Kong Branch, Director of Citigroup Global Markets Asia Limited and Executive Board member of the Treasury Markets Association of Hong Kong.

Appendix 5

Susan KWEK
Hong Kong O&T Head

Susan is the head of Operations and Technology (O&T) of Citi Hong Kong, with broad customer coverage ranges from large corporate, mid-caps & SME, Private Bank and Consumers. Hong Kong O&T has a diversity of people, total staff force of close to 580 with heavy right shore to Citi Service Centers (CSC). She also leads the digital council and CyberX initiative for HK Franchise.

Since becoming O&T head of Hong Kong, Susan has focused on O&T 2020 Strategies to serve its institutional and consumer banking clients with an emphasis on strong execution and the highest ethical standards. She leads and drives Digital transformation; Shut analog; Automation and Process re-engineering initiatives. She is committed and personally driving talent development in O&T to build bench strength.

Prior to her current role, Susan was the Head of O&T for Singapore and the site head of Singapore's Changi Citi Service Center (CSC) since Sep 2016. She managed operation and technology services across all businesses, technology infrastructure and enterprise services for Citi Singapore. She was also the site head for Citi Changi Service center, which provides mainly technology support, operations and global function teams. Prior to this role, she headed the APAC Core Ops role that supports the consumer business. This role works closely with the Global/Regional stakeholders and country Core Ops team to define operation standards, policy, manage expenses and ensure smooth execution.

She is a long-term Citi veteran who had held various senior leadership positions and roles within the O&T organization. She was Head of the Global Retail Banking Centre of Excellence and International Technology Organization (ITO) that provides application development and support services for Regional Consumer Banking in more than 40 countries. Prior to joining Citibank in 1988, Susan was with Singapore National Computer board in supporting the Singapore's computerization expansion program for the government.

She is an active supporter of Citi Women programs: Women Leading Citi Alumni; APAC O&T Women in Leadership (WIL) Advisory members and mentor; APAC Citi Women Ambassadors and active participation in Citibank community and voluntary programs such as financial education programs; English learning for children. Mentor for ICG / GCB MAs, HIPO and LDPers. She is also the Scrum Lead for Sustainable Growth Revamp Controls and the champion for ASCENT Program.

Appendix 6

Mark HART (Appointed on October 28, 2020)
Independent Non-executive Director

Mr Mark Hart was appointed to the Board of the Company as an Independent Non-Executive Director on 28 October 2020.

Mr Hart began his career with Citi in 1976 as a financial analyst and in his 41 years with Citi, he has held a number of key senior finance positions, both at the country and regional levels.

He was based in Japan from December 1983 until March 1995 when he led the Corporate Bank and the Consumer Bank Financial Planning units before he was appointed as the Citi Japan Franchise Chief Financial Officer (“CFO”).

Between April 1995 and February 2009, he assumed a number of senior finance appointments including: Citi CFO Hong Kong and China; Citi North Asia Corporate Bank CFO; Citi Asia Corporate Bank and Investment Bank, CFO; and Citi Asia Franchise Controller.

He was then appointed the CFO of Citi Japan, Institutional Clients Group and Consumer Banking Group in March 2009 and held the position until February 2012. Prior to his retirement from Citi in August 2017, he was the CFO of Citi Asia Pacific.

Mr. Hart holds a Master in Business Administration from Fordham University, United States and a Bachelor of Science degree in Business from University of Maryland, United States.
